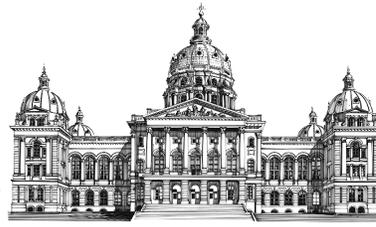


# Iowa Legislative Fiscal Bureau

Dennis Prouty  
(515) 281-5279  
FAX 281-8451



State Capitol  
Des Moines, IA 50319  
September 17, 1999

## State of Iowa Aviation Assistance Programs

### ISSUE

This *Issue Review* discusses the various State assistance programs available for Iowa's commercial and general aviation transportation systems. This *Issue Review* will also discuss capital improvement needs at both commercial service and general aviation airports.

### BACKGROUND

Iowa has 113 publicly owned airports located throughout the State and approximately 2,300 Iowa based aircraft. Of the total airports, 10 provide commercial passenger service while the remaining airports provide varying levels of service to businesses and to the general public for recreational purposes. There are also 102 privately owned airports in Iowa. These airports do not receive any public assistance. The Department of Transportation (DOT) conducts annual inspection of the private airports that provide service to the general public.

The DOT uses a classification system for publicly owned airports to determine which airports are the most important in terms of service and economic benefit. The Department uses this classification system to prioritize investment of State resources.

Prior to September 1999, the Department grouped Iowa's airports into four functional classifications based on national, regional, state, and local significance. The classifications include:

- Level I - National/Regional Significance (Commercial Service) - 10 airports
- Level II - National/Regional Significance (General Aviation) - 23 airports
- Level III - Statewide Significance - 41 airports
- Level IV - Local Significance - 39 airports

The individual airports are listed by classification in **Attachment A**.

On September 14, 1999, the Transportation Commission adopted a new Iowa Aviation System Plan which provided for the reclassification of Iowa's publicly-owned airports into three levels. Factors used in determining this classification system include service demand, population density, existing infrastructure, geographic location, and intermodal connections. The new classifications and the number of qualifying airports are listed below. The airports are listed individually by classification in **Attachment B**.

I  
S  
S  
U  
E  
  
R  
E  
V  
I  
E  
W

- Level I – Commercial Service Airports - 10 airports
- Level II – Primary General Aviation - 34 airports
- Level III – Other General Aviation - 69 airports

**AVIATION ASSISTANCE PROGRAMS**

Within the Department of Transportation there are three separate appropriations that provide State financial assistance to Iowa's airports. These include the General Fund Aviation Assistance Appropriation, Commercial Air Service Infrastructure Appropriation, and the General Aviation Infrastructure Assistance Program. In addition, the Department of Economic Development and the Des Moines Area Community College have provided financial assistance to a commercial service provider, AccessAir, through the Physical Infrastructure Assistance Program, and the Job Training Program.

**Department of Transportation  
Aviation Appropriations**

	FY 1999	FY 2000
Aviation Assistance - General Fund	\$ 2,484,000	\$ 2,475,000
Commercial Service Airports - Infrastructure Fund	945,000	1,000,000
General Aviation Assistance - Infrastructure Fund	0	500,000
<b>Total</b>	<b>\$ 3,429,000</b>	<b>\$ 3,975,000</b>

**General Fund Aviation Assistance Program**

Since FY 1995, the DOT has received an annual appropriation of approximately \$2.5 million from the State General Fund which is used for a variety of aviation related purposes.

The majority of the programs funded through the General Fund appropriation are used to enhance or benefit airport safety. The funds are used primarily for runway-related improvements at the general aviation airports. The following table shows the allocations from the General Fund appropriation for the last five years.

**Department of Transportation  
Aviation Allocations**

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	Total FY 95 - 99
Airport Improvement Program	\$ 1,864,000	\$ 1,971,909	\$ 1,975,698	\$ 1,977,165	\$ 2,001,589	\$ 9,790,361
Air Service Marketing	193,176	241,175	261,075	300,304	300,000	1,295,730
Aviation Weather Monitoring	117,000	100,000	100,000	100,000	100,000	517,000
Runway Marking Program	100,000	80,000	80,000	100,000	100,000	460,000
Emergency Set-aside	50,000	50,000	50,000	50,000	50,000	250,000
Aviation Education/Promotion	20,000	24,000	26,500	26,500	26,500	123,500
Windsock Program	12,000	12,000	12,000	12,000	12,000	60,000
<b>Total</b>	<b>\$ 2,356,176</b>	<b>\$ 2,479,084</b>	<b>\$ 2,505,273</b>	<b>\$ 2,565,969</b>	<b>\$ 2,590,089</b>	<b>\$ 12,496,591</b>

Source: Department of Transportation - Transportation Improvement Programs

Note: This table represents the DOT's annual allocations associated with the planning and programming process. The totals may not equal the amount appropriated for each fiscal year.

The DOT annually sets aside funds from this appropriation to assist the ten commercial service airports with air service marketing. These funds are provided to the commercial service airports on a reimbursement basis of 50.0% of the project cost. The following table shows the distribution of marketing funds since FY 1995.

<b>Department of Transportation</b>						
<b>Air Service Marketing Program</b>						
Air Service Provider	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	Total FY 95 - 99
Des Moines	\$ 60,000	\$ 60,000	\$ 59,200	\$ 60,000	\$ 74,040	\$ 313,240
Cedar Rapids	24,900	34,900	56,375	61,350	50,138	227,663
Dubuque	37,776	45,000	35,000	40,000	31,726	189,502
Waterloo	20,000	30,000	27,500	30,000	30,000	137,500
Burlington	12,500	19,275	25,000	25,000	31,084	112,859
Sioux City	6,000	20,000	20,000	29,954	35,012	110,966
Mason City	15,000	15,000	15,000	30,000	15,000	90,000
Fort Dodge	12,500	12,500	15,000	15,000	24,000	79,000
Spencer	3,000	3,000	6,000	6,000	6,000	24,000
Ottumwa	1,500	1,500	2,000	3,000	3,000	11,000
<b>Total</b>	<b>\$ 193,176</b>	<b>\$ 241,175</b>	<b>\$ 261,075</b>	<b>\$ 300,304</b>	<b>\$ 300,000</b>	<b>\$ 1,295,730</b>

Source: Department of Transportation - Transportation Improvement Programs

#### Commercial Air Service Airport Infrastructure Program

The General Assembly appropriated \$945,000 in FY 1999 and \$1,000,000 in FY 2000 for distribution to the State's ten commercial service airports to be used for vertical infrastructure improvements. The funds are distributed on the following basis: 50.0% is allocated equally to all ten airports and 50.0% is allocated based on the percentage that the number of enplaned passengers at each airport bears to the total number of enplaned passengers in the State.

Eligible expenses include: construction or renovation of terminals and hangar, associated design costs, land acquisition, grading, foundation work, floor slabs, and utilities.

Ineligible activities: Runway, taxiway, or apron paving; the grading, paving, or lighting of parking lots; and routine maintenance of pavements or buildings.

**Attachment C** shows the distribution of the funds appropriated in FY 1999, the total project costs, and a description of how the funds were used. In several instances, the appropriated funds were used to supplement larger, more expensive construction projects.

#### General Aviation Airport Infrastructure Program

During the 1999 Legislative Session, the General Assembly appropriated \$500,000 for FY 2000 to establish a grant program for vertical infrastructure improvements at general aviation airports. The General Assembly also established requirements that the grants to publicly owned airports be based on the need for improvements as well as the financial need of the airport. The Department is in the process of adopting rules for the program and it is uncertain what additional criteria will be established, if any, for airports to receive the funds.

State Assistance to AccessAir

Since FY 1997, the Department of Economic Development has provided financial assistance to the Iowa based air provider, AccessAir, through several programs. The Department has awarded grants and loans through the Physical Infrastructure Assistance Program and the Strategic Investment Fund.

In FY 1997, the General Assembly created the Physical Infrastructure Assistance Program to provide financial assistance for business or community infrastructure development or redevelopment projects. Projects eligible for funding through this program must create necessary infrastructure for economic success throughout Iowa; provide for the creation of quality, high wage jobs; and involve substantial capital investment.

The Physical Infrastructure Assistance Program receives an annual appropriation from the Rebuild Iowa Infrastructure Fund of approximately \$5,000,000. In addition, in FY 1999, the General Assembly transferred \$1,000,000 from the Strategic Investment Fund to the Physical Infrastructure Assistance Program for the purpose of responding to critical transportation gaps that are affecting economic development in the State.

The Department has awarded AccessAir a total of \$4,550,000 in loans and forgivable loans between FY 1997 and FY 1999 from this Program. In addition to the Physical Infrastructure Assistance Program, the Department awarded AccessAir a grant of \$200,000 through the Strategic Investment Fund to conduct a feasibility study of establishing an Iowa based airline that could compete with the larger air carriers and the Des Moines Area Community College awarded a job training grant to AccessAir in FY 1998 in the amount of \$1,300,000.

The following table shows the State funding assistance approved to date to AccessAir.

**State Assistance to AccessAir**

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Total</u>
Strategic Investment Fund	\$ 200,000 <sup>G</sup>	\$ 0	\$ 0	\$ 0	\$ 200,000
Physical Infrastructure Assistant Fund		1,000,000 <sup>L</sup>	1,000,000 <sup>L</sup>	1,000,000 <sup>L</sup>	3,000,000
Physical Infrastructure Assistant Fund		800,000 <sup>F</sup>			800,000
Physical Infrastructure Assistant Fund*		500,000 <sup>L</sup>	250,000 <sup>L</sup>		750,000
Job Training 260E Program		1,300,000 <sup>G</sup>			1,300,000
<b>Total</b>	<b>\$ 200,000</b>	<b>\$ 3,600,000</b>	<b>\$ 1,250,000</b>	<b>\$ 1,000,000</b>	<b>\$ 6,050,000</b>

<sup>G</sup> = Grant (Total - \$1,500,000)

<sup>L</sup> = Loan (Total - \$3,750,000)

<sup>F</sup> = Forgivable Loan (Total - \$800,000)

\* Loans to be repaid with passenger credits

**AIRPORT CAPITAL IMPROVEMENT NEEDS**

The DOT is in the process of developing a new Iowa Aviation System Plan for adoption by the Transportation Commission. Included in the draft document are cost estimates for capital improvement needs at commercial service and general aviation airports. The costs are projected out 20 years and are used for planning purposes only.

### Commercial Service Airports

In arriving at the commercial service airport estimates, the Department used each airport's current development plan as well as a recently completed evaluation of runway pavement by the Federal Aviation Administration. The estimates reflect not only critical needs, but also a desired level of funding by airport which includes several large expansion projects in the first five years of the plan. The amount of funds needed solely to address the critical needs is not available. The following table shows the estimates from the Iowa Aviation System Plan for the commercial service airports.

#### **Commercial Service Airport Needs**

Dollars in Millions

Fiscal Year	Runways	Taxi-ways/		CASMP	Total
		Aprons	Other		
1999 - 2005	\$ 87.0	\$ 43.0	\$ 5.0	\$ 1.6	\$ 136.6
2006 - 2010	50.0	25.0	5.0	1.9	81.9
2011 - 2020	150.0	70.0	10.0	4.6	234.6
Total	<u>\$ 287.0</u>	<u>\$ 138.0</u>	<u>\$ 20.0</u>	<u>\$ 8.1</u>	<u>\$ 453.1</u>
Annual Average	\$ 14.4	\$ 6.9	\$ 1.0	\$ 0.4	\$ 22.7

CASMP - Commercial Air Service Marketing Program

Source: Draft Iowa Aviation Implementation Plan, Iowa Department of Transportation

Commercial service airports have traditionally funded the majority of their capital projects with federal funds. State funds have contributed very little toward these costs. The Aviation System Plan identifies a shortfall in revenues (from all sources) totaling \$152.0 million over the 20-year period of the Plan. This amounts to approximately \$8.0 million annually.

### General Aviation Airports

For the general aviation airports, the Department used pavement evaluations conducted during annual state inspections to help determine capital improvement. The Department divided the capital needs into three categories:

- Preservation – Maintaining existing facilities at a desired condition, i.e., resurfacing runways to maintain condition.
- Standards – Upgrading existing facilities to meet current recommended Federal Aviation Administration (FAA) design guidelines
- Expansion – The addition of airport capacity, i.e., runway extensions.

The following table shows estimated costs for capital improvement needs at all of Iowa's general aviation airports. The general aviation estimates reflect only the projected flight enhancement or flight safety improvements and does not include land-based facilities (i.e., terminals).

**General Aviation Airports - Capital Improvement Needs**

Dollars in Millions

Fiscal Year	Preservation	Standards	Expansion	Total
1999 - 2005	\$ 65.0	\$ 20.0	\$ 13.0	\$ 98.0
2006 - 2010	75.0	18.0	13.0	106.0
2011 - 2020	80.0	25.0	16.0	121.0
Total	<u>\$ 220.0</u>	<u>\$ 63.0</u>	<u>\$ 42.0</u>	<u>\$ 325.0</u>
Annual Average	\$ 11.0	\$ 3.2	\$ 2.1	\$ 16.3

Source: Draft Iowa Aviation Implementation Plan, Iowa Department of Transportation

Like the commercial service airports, capital improvements at the general aviation airports are funded primarily from federal funds. The Aviation System Plan identifies a shortfall in revenues (from all sources) totaling \$176.0 million over the 20 year period of the Plan. This amounts to approximately \$9.0 million annually.

STAFF CONTACT: David Reynolds (Ext. 16934)

# 1998 Iowa Publicly Owned Airport System

Functional Level	System Designation	Airports				
I	National/Regional Significance (Commercial Service)	Burlington Cedar Rapids	Des Moines Dubuque	Fort Dodge Mason City	Ottumwa Sioux City	Spencer Waterloo
II	National/Regional Significance (General Aviation)	Algona Ames Ankeny Atlantic Carroll	Chariton Charles City Clinton Council Bluffs Creston	Davenport Decorah Denison Fairfield Iowa City	Keokuk Marshalltown Muscatine Newton Oelwein	Red Oak Sheldon Storm Lake
III	Statewide Significance	Belle Plaine Bloomfield Boone Centerville Cherokee Clarinda Cresco Emmetsburg	Estherville Forest City Fort Madison Grinnell Hampton Harlan Independence Iowa Falls	Jefferson Knoxville Lamoni LeMars Manchester Maquoketa Monticello Mt. Pleasant	Okoboji Onawa Orange City Osceola Oskaloosa Pella Perry Pocahontas	Sac City Shenandoah Sioux Center Vinton Washington Waverly Webster City West Union Winterset
IV	Local Significance	Akron Albia Allison Anita Audubon Bedford Belmond Clarion	Corning Eagle Grove Eldora Greenfield Grundy Center Guthrie Co. Hartley Hawarden	Humboldt Ida Grove Keosauqua Lake Mills Mapleton Milford Monona Mount Ayr	New Hampton Northwood Osage Paullina Primghar Rock Rapids Rockwell City Sibley	Sully Tipton Toledo Traer Wall Lake Waukon Woodbine

- I - Provision of scheduled commercial air service
- II - Provision of service to business/corporate turboprop/jet and most single or twin-piston aircraft. Includes designated relievers. Provides service to major population/employment centers and access to all areas through designated airports.
- III - Provision of primary access for communities and nearby areas by small-engine or twin-engine aircraft. Some larger twins and limited jet operations.
- IV - Provision of service to local aviation needs in the small single/twin aircraft.

Source: 1999-2003 Iowa Transportation Improvement Program

**Level 1 - Commercial Service**

- |                 |               |               |              |
|-----------------|---------------|---------------|--------------|
| 1. Burlington   | 4. Dubuque    | 7. Ottumwa    | 9. Spencer   |
| 2. Cedar Rapids | 5. Fort Dodge | 8. Sioux City | 10. Waterloo |
| 3. Des Moines   | 6. Mason City |               |              |

**Level 2 - Primary General Aviation**

- |                 |                    |                  |                  |
|-----------------|--------------------|------------------|------------------|
| 1. Algona       | 10. Clinton        | 19. Iowa City    | 27. Oskaloosa    |
| 2. Ames         | 11. Council Bluffs | 20. Keokuk       | 28. Pella        |
| 3. Ankeny       | 12. Creston        | 21. LeMars       | 29. Perry        |
| 4. Atlantic     | 13. Davenport      | 22. Marshalltown | 30. Red Oak      |
| 5. Boone        | 14. Decorah        | 23. Monticello   | 31. Sheldon      |
| 6. Carroll      | 15. Denison        | 24. Mt. Pleasant | 32. Storm Lake   |
| 7. Charles City | 16. Fairfield      | 25. Muscatine    | 33. Vinton       |
| 8. Cherokee     | 17. Harlan         | 26. Newton       | 34. Webster City |
| 9. Clarinda     | 18. Independence   |                  |                  |

**Level 3 - Other General Aviation**

- |                 |                    |                 |                   |
|-----------------|--------------------|-----------------|-------------------|
| 1. Akron        | 19. Forest City    | 36. Manchester  | 53. Rockwell City |
| 2. Albia        | 20. Fort Madison   | 37. Mapleton    | 54. Sac City      |
| 3. Allison      | 21. Greenfield     | 38. Maquoketa   | 55. Shenandoah    |
| 4. Anita        | 22. Grinnell       | 39. Milford     | 56. Sibley        |
| 5. Audubon      | 23. Grundy Center  | 40. Monona      | 57. Sioux Center  |
| 6. Bedford      | 24. Guthrie Center | 41. Mount Ayr   | 58. Spirit Lake   |
| 7. Belle Plaine | 25. Hampton        | 42. New Hampton | 59. Sully         |
| 8. Belmont      | 26. Hartley        | 43. Northwood   | 60. Tipton        |
| 9. Bloomfield   | 27. Hawarden       | 44. Oelwein     | 61. Toledo        |
| 10. Centerville | 28. Humboldt       | 45. Onawa       | 62. Traer         |
| 11. Chariton    | 29. Ida Grove      | 46. Orange City | 63. Wall Lake     |
| 12. Clarion     | 30. Iowa Falls     | 47. Osage       | 64. Washington    |
| 13. Corning     | 31. Jefferson      | 48. Osceola     | 65. Waukon        |
| 14. Cresco      | 32. Keosauqua      | 49. Paullina    | 66. Waverly       |
| 15. Eagle Grove | 33. Knoxville      | 50. Pocahontas  | 67. West Union    |
| 16. Eldora      | 34. Lake Mills     | 51. Primghar    | 68. Winterset     |
| 17. Emmetsburg  | 35. Lamoni         | 52. Rock Rapids | 69. Woodbine      |
| 18. Estherville |                    |                 |                   |

**Commercial Air Service Airport Infrastructure Program**  
**FY 1999 Progress Summary**

<u>Airport Location</u>	<u>State Funds</u>	<u>Total Project Cost</u>	<u>Project Description</u>
Burlington	\$ 53,873	\$ 54,250	Remodel Terminal, new airport sign
Cedar Rapids	170,751	3,030,450	Building for snow removal equipment, de-icer material storage, terminal renovation new loading bridge
Des Moines	317,340	2,675,779	New elevator, security screening checkpoint modifications, restroom reconstruction, new business center/tenant area, skywalk and lobby
Dubuque	57,838	77,000	Terminal improvements, bathroom renovation
Fort Dodge	49,313	81,000	Terminal carpet & furniture replacement, bathroom & automatic entrance door renovation, maintenance building roof replacement
Mason City	52,247	2,349,000	Water tower construction, hanger and office space construction, terminal and bathroom remodeling, and replacement of windcone structure
Ottumwa	47,839	343,800	Terminal repairs, fuel farm upgrade, hanger upgrades and repairs, security fence improvements
Sioux City	77,990	100,000	Airport maintenance building expansion
Spencer	49,358	187,500	Hanger rehabilitation
Waterloo	68,451	100,000	Terminal renovation, roof repair architectural consulting
Total	<u>\$ 945,000</u>	<u>\$ 8,998,779</u>	